

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

Identification of District Watch List

Applicable Statute(s) or Regulation(s):

KRS 160.470 and 160.550

History/Background:

Existing Policy. As a part of the Office of District Support Services' Management Improvement Program, districts are expected to end the fiscal year with a general fund balance of no less than 2%. Districts with less than 2% are put on what has commonly been referred to as the "watch list." The watch list is not intended to be punitive, but rather is meant to ensure the district receives additional support from the Kentucky Department of Education (KDE) sufficient to return the district to a financially stable condition. Division of School Finance staff work with the superintendent and finance officer of the district to determine if the staffing patterns are sound and affordable and to help identify areas where either expenditures could be reduced or revenues increased.

Adair County and Frankfort Independent school districts are expected to report less than 2% general fund balances as of June 30, 2006. The watch list will be provided at the board meeting based on the Annual Financial Reports that are due to KDE July 25th. The list will be revised based on the independent audits that are due to KDE on October 31st.

Contact Person:

Kyna Koch, Associate Commissioner
Office of District Support Services
502/564-3930
Kyna.Koch@education.ky.gov

Deputy Commissioner

Commissioner of Education

Date:

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